

**California Nutrition Network for Healthy, Active Families (Network)
Local Incentive Awardee (LIA) Program**

**Budget Justification Instructions
FFY 2008 (October 2007-September 2008)**

General Information

The following guidelines should be followed to complete the Budget Justification (Form #4) for your *Network* LIA Program contract for FFY 2008 (October 2007-September 2008). To assist your organization in determining qualifying expenses, refer to *Network Allowable and Unallowable Costs* at www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.html and the *United States Department of Agriculture's (USDA) Food Stamp Nutrition Education Plan Guidance*, Federal Fiscal Year 2007, which can be accessed at: www.nal.usda.gov/foodstamp/guidance/FSNE_Plan_Guidance_FY2007.pdf. Please note that once released, the FFY 2008 Guidance will be updated on the web and all projects will be required to comply with any changes. You will be notified by email if any changes occur.

Changes to Terminology

The USDA has required the following changes in funding terminology. Please use these new terms on all future documents.

New Terminology	Old Terminology	Definition
State Share	Local Share State Match	Cost for the anticipated nutrition education activities that your organization will fund with non-Federal state and local dollars.
Federal Share	State Share Federal Match	Enhanced/expanded nutrition education activities that your organization will conduct during the contract term with Federal dollars.

USDA requires that the budget justifications be combined in one spreadsheet. This new combined Budget Justification form has a column for each type of share. A Budget Justification must be submitted for each budget year that your organization participates in the LIA program.

The budget justification form is available in Excel and can be downloaded from the CPNS website at www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.html.

Instructions for completing the new Budget Cover Sheet (FAP Form # 3)

The Excel Spreadsheet is linked to Budget Cover Spreadsheet, which should import the numbers from your Budget Justification. Contractors need to enter their nine-line item budget from FFY 2007 in order to calculate the % difference FFY 2007 and FFY 2008. Please do the comparison for subsequent budget years. (Compare FFY 2008 and FFY 2009, the compare FFY 2009 and FFY 2010). If the total % difference increases or decreases more than 10%, Contractors should provided justification in the body of the Budget Justification. (Please note – *Network* Growth Policy restricts contract growth).

Instructions for completing the new Budget Justification (FAP Form #4A)

1. List your organization's legal name at the top of each page.
2. List your contract number (assigned to your organization by CPNS) below your organization's name at the top of each page.

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3. Round off dollars and percentages to the nearest whole number.
4. Include a brief justification in bold face type if the entire current year's budget has increase or decrease 10% or more from the previous year's budget. (Compare FFY 2007 total budget to FFY 2008). The justification should explain why the increase or decrease was necessary. Please place this narrative at the end of the budget justification.
5. Use the Budget Justification FAP Form #4 that contains both State and Federal Share budgets. If the space provided for the required information is not sufficient, you can modify the rows to add additional information as needed. (e.g.: additional personnel titles and information).
6. Place a revision date in the footer of each page in order to easily identify the most current version.
7. Use a calculator to check total calculations. Do not rely on formulas.
8. When adding rows or columns to the Excel form please make sure and format the cells, rows and/or columns added.
9. Enter in State Share budget items followed by Federal Share budget items for each of the Budget Justification lines.
10. Space allocation, equipment, and non-program related travel must be prorated by FTE when staff person is not dedicating 100% FTE to the *Nutrition Network* contract. If costs are required to be prorated, please provide the basis. Example: Project Coordinator is 75% on federal share budget; rent for the space occupied by the Project Coordinator must be prorated based on the FTE. CPNS would only reimburse for 75% of the rental costs. In considering total FTE dedicated to *Nutrition Network* contract, contractors should add both state and federal share FTE. If staff is on reduced time base, but dedicated 100% to the *Nutrition Network* with no other funding source for salary and benefits, prorating is not required.
- 11. Contractors must adhere to USDA and CPNS deadlines in order to meet required timely submission of *Network* plan to USDA. Failure to comply with the timeline will cause lengthy delays in the contracting process or loss of opportunity to contract with the *Network* altogether.**
12. Provide Subcontractor Scope of Work (SOW) and Budget Justification with the submission of *Network* Funding Application Packet. (See Form #10)
13. For Personnel and Salaries line item, provide both Annual Salary and Full Time Equivalent (FTE) on the Budget Justification.
14. For Personnel and Salaries line item, provide percentage of time for both management/administrative and direct delivery activities. (See definitions below).

Budget Line Item Definitions/Information

Contractors should verify with their appropriate fiscal staff that the following *Network* line item definitions are compatible with their internal line item definitions. Accommodations may be made with the *Network* to place expenses in alternative line items if more appropriate. If needed, such accommodations should be requested by the contractor during contract negotiations and prior to finalizing the budget justification.

- A. Personnel Salaries:** Describe and justify staffing information for each position budgeted. Contract employees or consultants should not be included in this line item. Include all of the following information:

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- **Name and Position Title** - Enter the employee name(s). If there are more than 8 staff per classification, indicate "multiple staff" and the total number of staff in parenthesis. A list of names is not needed, but should be available upon request.
- Next to the employee name, list the employee's "generic title". This should be one of the titles found on the list of USDA-approved generic position descriptions, which can be located here: www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.html.
- If the generic title differs from the employee's official title, list the official title in parenthesis below the generic title.
- Note: using USDA-approved generic titles and generic position descriptions is not mandatory, but is recommended.
- If a position is not filled, indicate "vacant".

1. Annual Salary

Enter the annual salary used for each employee. When converting a monthly, semi-monthly, weekly or hourly salary to an annual salary please use the standard 52 week year at 2080 hours/year to make the calculation. Calculations should be based on actual salaries. If use of actual salaries is not feasible due to large numbers of staff, alternative methods of capturing rates must be pre-approved by your Contract Manager (e.g., average salaries for large numbers of teachers/staff).

2. Total Full Time Equivalent (FTE) Allocated to Network Contract

Enter the FTE each employee will spend on allowable *Nutrition Network* activities (e.g., 20 hours of a 40-hour week equals .50 FTE). Please note: Enter this as a decimal not a percentage. (The FTE should be carried to four decimal places). Tip: you must use a standard 52 week year at 2080 hours to make this calculation even if you are a school district. For example, if the position is budgeted for 48 hours, the FTE would be calculated as $48/2080=.0230$.

If there is more than one staff member listed in one row, the FTE listed should be a cumulative total of the FTEs of all of the positions listed in that row. For example, if 5 nurses are listed in one row and each nurse is budgeted at .10 FTE, the FTE listed for that row should be .50 FTE (5 nurses x .10 FTE).

3. Percentage FTE Time for Administrative Duties Allocated to Network Contract

Estimate the percentage of time for each employee that is spent on administrative duties. (The percent of time entered for Administrative Duties + the percent of time entered for Direct Delivery should add up to the percentage of FTE for each position listed.) Please enter as a percentage (i.e. 50% rather than a decimal - .50FTE).

Administrative Duties are expenses related to personnel positions that perform administrative duties (e.g., processing purchase orders, preparing invoices and State Share Documentation Reports, collecting weekly time logs, and performing general clerical duties, such as answering phones, ordering supplies and preparing correspondence, etc.).

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4. Percentage FTE Time for Direct Delivery Duties Allocated to Network Contract

Estimate the percentage of time for each employee that is spent on direct delivery or programmatic duties. (The percent of time entered for Administrative duties + the percent of time entered for Direct Delivery Duties should add up to the percentage of FTE for each position listed.) Please enter as a percentage (i.e., 50% rather than a decimal - .50FTE).

Direct Delivery Duties are expenses related to personnel positions directly engaged in service/program delivery (e.g., nutrition education in the classroom, food stamp promotion, food demonstrations, community outreach activities, physical activity promotion, nutritional aspects of gardening, etc.).

CPNS is implementing this requirement using the following methodology: if the majority of the activities for the staff person are administrative, i.e., an accounting assistant, then place all that person's FTE allocated to the *Network* contract under "Administrative Duties", if the person is an RD, working as a Project Coordinator, place that person's FTE allocated to the *Network* contract under "Direct Delivery Duties". This methodology must be applied consistently to in order to meet USDA's requirement.

Example: if a person is working as a Project Coordinator and .5 FTE, this should be reflected as 50% Direct Delivery Duties in column # 5. If the person is working as an Administrative Assistant and dedicating .75 FTE, this should be reflected as 75% Administrative Duties in column #4.

Note: The percentages listed under columns 4 (% Administrative Duties) and column 5 (% Direct Delivery Duties) should equal the FTE listed for each employee(s). For example, if a nurse is budgeted at .25 FTE, then we should see 25% listed in the Direct Delivery Duties column for that row. Similarly, if 10 nutrition educators are budgeted for a total of 2.5 FTE, we should see 250% in the Direct Delivery Duties column for that row.

5. State Share (formerly Local Share/State Match) Total Dollars

Calculate for each employee the total amount of dollars allocated as State Share. Annual salary multiplied by Total FTE = Total Dollars. Round off dollars to the nearest whole number.

6. Federal Share (formerly State Share/Federal Match) Total Dollars

Calculate for each employee the total amount of dollars allocated as Federal Share. Annual Salary (column 2) multiplied by Total FTE (column 3) = Total Dollars (column 8).

7. Subtotal of Dollars

The sum of column 8 for both State Share and Federal Share salary dollars.

8. Position Description

Include a brief description of each employee's duties and responsibilities as they relate to allowable nutrition education and physical activity promotion to FSNE eligibles. There is a list of generic position descriptions approved by USDA on the website at www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.html.

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These generic position descriptions are listed on the Excel Budget Justification form. Next to each position description title, include the corresponding number(s) in parenthesis from each staff listed under the Personnel Salaries line item that the position description applies to. Please remove any position descriptions that are not applicable to your organization. If none of the generic position descriptions apply, add a short position description. The order of personnel listed in the Personnel Salaries line item should correspond directly with the list of position descriptions. CPNS recommends the use of these generic position descriptions as well as inserting the actual organization staff title in parenthesis next to the generic position description.

- B. Fringe Benefits:** Fringe Benefits may include expenses such as statutory benefits, a comprehensive benefits package, or other benefits (e.g., medical, dental, vision coverage, long-term disability, accidental death insurance, and a tax-sheltered annuity program). Benefits may be calculated using various rates depending on individual factors. Indicate the average fringe benefit percentage used for calculation on both the State Share and Federal Share budget columns and indicate the total for fringe benefits in the Total Dollars column.
- C. Operating Expenses:** Identify the major areas of operating expenses and provide a detailed cost breakout of these expenses. The detailed cost breakout should include the basis for the calculation. Example: Postage \$390 -1000 stamps at 39 cents each for nutrition newsletter to FSNE eligibles). Operating expenses should be prorated based on the FTE dedicated to FSNE. Please indicate the percentage by which you are prorating the expense. Operating Expenses include expenses for routine items such as office supplies, communications (telephone, facsimile, e-mail), postage, overnight mail, routine printing and duplication, and space-rent/lease (include formula for calculating space costs). Indicate the total expenses in the State Share, Federal Share and Total Dollars columns. (Note: Non-routine and one-time types of expenses should be budgeted under the "Other Costs" line item.)
- D. Equipment Expenses:** Describe and itemize any equipment expenses and staff assigned to the equipment. Equipment is defined as non-expendable property used to conduct eligible nutrition education activities, and includes items such as computers, televisions, VCRs/DVDs, cameras, typewriters, furniture, etc. If your equipment will not be used exclusively for allowable *Network* activities or by a 100% FTE, then the expense must be prorated by FTE to include only the portion related to nutrition education. If prorating, please indicate the percentage by which you are prorating the expense and the staff the equipment is assigned to. The % FTE for the staff must match the prorated % of the cost. Indicate the equipment expenses in the State Share, Federal Share and Total Dollars columns.
- E. Travel and Per Diem Expenses:** For each trip, include personnel title of person(s) traveling, purpose of trip, and approximate cost. Indicate the travel and per diem expenses in the State Share, Federal Share and Total Dollars column. The current reimbursable DPA mileage rate is 48.5 cents per mile.

Staff from your organization should budget for the following applicable training opportunities offered by the *Network*: (These trainings do not need to be prorated and should be paid for with Federal Share dollars.)

1. *Network* Conference in Northern California; (budget ever other year beginning FFY 2008).

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2. Regional Collaborative Trainings or meetings; and
3. CCLHDN Annual Meeting (county health departments are required to attend).
4. CX3 Training (Renewing county health departments are required to attend 2 meetings).
5. (1) Regional SHAPE meeting (school district and county office of education contractors are required to attend. Contractors working with schools are recommended to attend).
6. Impact Evaluation Training (for those contractors with federal share budgets over \$350,000).
7. (3) *Network* Sponsored Skill Training – including trainings such as facilitation, program delivery, and Harvest of the Month. Each contractor is required to attend one *Network* Sponsored Skill Based Training each year and should budget for the costs for each contract year.
8. *Network* Fiscal Training
9. *Network* Media Training
10. Youth Empowerment Training
11. Joint Steering Committee Meetings

Prorate all non-*Network* sponsored travel and per diem by the percentage of FTE for all personnel traveling and again by the percentage of allowable nutrition education and physical activity promotion included in the agenda. All non-*Network* sponsored trainings must be prorated, require state approval and are subject to further justification by *Network* staff. Please see supplemental Form #4C – Non-*Network* Sponsored Travel Request.

Travel and Per Diem expenses included on the Federal Share Budget may be no greater than the current State Department of Personnel Administration (DPA) rates as outlined at <http://www.dpa.ca.gov/jobinfo/statetravel.shtml>.

CPNS has added a supplemental form for Contractors to detail travel expenses. This form is titled “Budget Justification Travel Detail” and is worksheet of Form #4. This form prompts the Contractor to provide all the required detail for travel and conference expenses. The form is not mandatory, but is a useful tool to ensure travel expenditures will be understood when reviewed by USDA.

F. Subcontracts: The use of subcontractors must be clearly defined. The following information must be provided in the budget justification template for both state and federal share costs:

- Subcontractor name (if known); List as “TBD” if not known.
- Brief description of services to be provided

If consultant's services or stipends are budgeted, provide the following details:

- Consultant name; (List as “TBD” if not known)
- Brief description of services to be provided;
- Approximate number of consulting hours that will be contracted for and the hourly/daily rate; and
- Total costs.

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If the subcontractor/consultant has not been determined, submit the information to CPNS as soon as the agreement is negotiated with contractor but prior to execution, so that *Network* staff can review and approve the subcontract for compliance with USDA and CDHS regulations. As required by USDA, prior written authorization is required for all subcontracts. Indicate the subcontract expenses in the State Share, Federal Share and Total Dollars columns. Attach the subcontractors' budget justification and brief project description as part of the application. Use either the Budget Justification Form #4 or Form #10, entitled Subcontractor Budgets to provide the required information.

- G. Other Costs:** This line item includes non-routine, occasional, or one-time expenses such as computer time, publications, training, nutrition education materials, and food (for demonstration/taste testing purposes only). Identify the major areas of expense and provide a brief cost breakout of these expenses. Indicate the other costs expenses in the State Share, Federal Share and Total Dollars columns.
- H. Indirect Costs:** Indirect Costs are defined as expenses not directly or exclusively associated with the project's deliverables such as overhead or allocated expenses. Examples of overhead or allocated expenses include: administrative personnel, bookkeeping, payroll services, janitorial services, insurance, and audit expenses. Describe briefly the expenses associated with this line item. Calculations should be based on rates as indicated below for each budget. Please submit documentation from your fiscal department that supports how the indirect rate was determined and calculated.
- The indirect rate used to calculate this line item should be your organization's standard indirect rate. If your organization has a federally negotiated indirect cost rate, this must be used. USDA requires that State and Federal indirect rate be the same, unless the organization provides justification.
 - If your indirect costs are based on a modified amount, please identify what expenses are not included in your calculations to arrive at your total Indirect Costs amount; and
 - For colleges and universities: Since most services take place off-campus, the off-campus rate is considered most appropriate to use. Only if the majority of the nutrition education activities are conducted on campus can the on-campus rate be allowed.
- I. Total Expenses:** Enter the sum of line items A through H to reflect total expenses in the State Share, Federal Share and **Total Dollars** columns.